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UNITED NATIONS STAFF UNION

WHY WE WALKED OUT OF THE ICSC

The Staff Representatives at the 36th session of the International Civil Service Commission (ICSC) held in London walked out over the manner in which it handled General Service issues, and in particular, the Salary Survey methodology. The consideration of this issue was to take place in three stages: Questions and answers, substantive disscussion, decisision-making stage. The Commission went straight from stage one to stage three - an unacceptable procedure.

WHAT THE ICSC DECISIONS MEAN FOR NEW YORK STAFF IN THE GENERAL SERVICE AND RELATED CATEGORIES

Salaries

Several changes were made to the salary survey methodolgy. They will no doubt be more strongly felt in some European duty stations, but will also affect New York. It is really only at the time of the next survey that the full impact of these changes can be assessed, but some conclusions can already be drawn now.

One major change concerns the minimum number of employees required for an outside employer to be included in a survey, which has been raised to 100. In New York, only three employers used in the past have less than that, and provided they have more than 50, they can still be used in future surveys. The 100 limit will apply only to newly included employers. Therefore, if there is any effect from this change at all, it is likely to be minimal.

Another change might be helpful in New York: subject to certain conditions, outside jobs for which the employer requires a college degree may now be included in the survey - something the staff have always demanded. Only the next survey will reveal the exact impact of that modification.

While the rule states that employers have to be located within commuting distance of Headquarters, exceptions will still be possible. This is crucial for Security as well as some Trades and Crafts Jobs in New York.

It is with regard to interim adjustment that there is clearly identifiable loss. Henceforth, salaries will only be adjusted for 90 % rather than 100 % of cost-of-living movement. Assuming a 5 % rate of inflation, the staff will lose some 4 % between successive surveys. Moreover, there will be no adjustment within 6 months of a survey, which will also lead to some loss, unless the survey results in an pay increase, in which case the increase will be retroactive.

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Pensionable Remuneration (PR)

Before entering into the changes recommended by the Commission, it may be necessary once again to explain a basic feature of the UN salary and pension system: On the outside, people are paid gross salaries, and pay taxes to arrive at net salaries. In the UN, salaries are determined on a net basis, and a gross salary is established through the application of staff assessment, which reflects the outside tax element. This is known as the "grossing up" process. Because UN pensions, unlike salaries, are normally taxed, they are calculated on the gross; in fact, up to now, gross salaries and pensionable remuneration for General Service staff members have been identical.

As outside taxes change, so does the staff assessment scale, and a revised, lower scale was approved by the General Assembly last year. This will mean a freeze of pensionable remuneration for the next two years, and a an eventual reduction in gross pensions. It should be noted that this is not the result of a change in methodology: Changes in staff assessment, both for Professionals and General Service, have occured every few years.

What will change in the future ? The ICSC has not yet finalized its consideration of this issue, but what it has already decided to recommend to the GA, namely "grossing up" of 56.25% rather than 100% of net pay will eventually reduce PR by some 2 %. Moreover, the interim adjustment procedure will also change: Up to now, for a 1 % increase in net pay, PR increased a little more than 1 %; in the future, it will move at the same rate.

Next year, the Commission will consider methods other than a separate GS staff assessment scale to "gross" up, most likely through the use of a single scale for both categories of staff. Any such change would mean a further reduction.

When will these changes in methodology take effect ? All changes are scheduled to go into effect in 1994. However, as there will be no actual reduction of current levels, but rather a freeze on future increases, and as remuneration in New York will not be adjusted in 1994 because of the impending salary survey, the earliest effect will be produced in the spring of 1995. As has been noted above, PR is already frozen as a result of the new staff assessment scale, so the 2% loss mentioned above will prolong the freeze by a some months.

Your Staff Committee is, of course, far from happy with all these changes: Any reduction is unacceptable. Some may therefore wonder whether our demonstrations and assemblies have had any effect at all. We think so: compared to the initial position taken by key ICSC members on both issues, we have been able to limit the damage. But we will continue the fight and further staff action will no doubt be necessary, particularly next year, when the ICSC resumes consideration of GS pensionable remuneration.

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